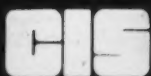


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HOUSE OF REPRESENTATIVES

STUDY MISSION TO KOREA, THAILAND,
BURMA, SINGAPORE, MALAYSIA, INDONE-
SIA, AND HAWAII (JANUARY 14-25, 1988)

R E P O R T

OF THE

SELECT COMMITTEE ON NARCOTICS
ABUSE AND CONTROL

ONE HUNDREDTH CONGRESS

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(100th Congress)

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(II)

**SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL
STUDY MISSION, JANUARY 14-25, 1988, KOREA, THAI-
LAND, BURMA, SINGAPORE, MALAYSIA, INDONESIA, AND
HAWAII**

EXECUTIVE SUMMARY

The Select Committee on Narcotics Abuse and Control (SCNAC) conducted a study mission of opium, heroin and marijuana producing and trafficking nations in Southeast Asia from January 14-25, 1988. The study mission delegation consisted of Select Committee Chairman Charles B. Rangel; the ranking Minority member, Benjamin A. Gilman; and the following Select Committee members: Representatives Frank J. Guarini, William J. Hughes, Solomon P. Ortiz, Lawrence Coughlin, E. Clay Shaw, Jr., and Stanford E. Parris. Members of the Ways and Means Committee joining the delegation were Representatives Guy Vander Jagt, William Frenzel, Richard Schulze, and William M. Thomas.

Accompanying the delegation were the following members of the Select Committee staff, Edward H. Jurith, Staff Director; Elliott A. Brown, Minority Staff Director; Michael J. Kelley, Counsel; and Rebecca Hedlund, Professional Staff Member. Other Congressional staff assisting the delegation were Patricia O. Bradley, Executive Assistant to Chairman Rangel; Ben Proctor, Office of House Speaker Jim Wright; and Jonathan Spear, Administrative Assistant to Mr. Hughes. Lt. Col. David Gibbons of the Office of Legislative Affairs, Department of Defense also participated in support of the study mission.

The delegation visited the following nations and held discussions with U.S. Embassy representatives and host country officials on drug abuse and narcotics control and trafficking issues; Korea (Seoul, January 15-18), Thailand (Bangkok, January 18-20), Burma (Rangoon, January 20), Singapore (January 20-23), Malaysia (Kuala Lumpur, January 21), Indonesia (Jakarta, January 23), and the State of Hawaii (Maui, January 23-24).

While the production, trafficking, and abuse of narcotics and other drugs remains a serious problem in the Far East, the Committee is pleased to report that the nations visited all share a strong commitment to aggressive national efforts in the areas of crop eradication, narcotics enforcement and drug abuse treatment and prevention activities. The Committee takes particular note of the expanded aerial eradication program in Burma, aggressive interdiction tactics in Thailand, strict street-level enforcement in Singapore, and the use of creative drug abuse treatment programs in Burma and Malaysia.

Notwithstanding these signs of progress, the cultivation, processing, and trafficking of narcotic drugs is at critical levels in Southeast Asia. High levels of opium and marijuana production in the

Golden Triangle continue to fuel the machinery of drug trafficking organizations. Making use of the vast air, sea, and land transportation routes that crisscross Southeast Asia, organized criminal groups are able to maintain a steady flow of drugs throughout the region and to the West. Strict bank secrecy laws and the desire of developing nations for banks and financial institutions unencumbered by government regulation facilitates money laundering. The large sums of money involved in drug trafficking enterprises encourages corruption to flourish throughout the region.

The Committee urges more intensified efforts in all aspects of drug abuse and control in the nations visited. International and regional cooperation must be sought to enlarge and intensify illicit crop eradication and drug suppression efforts. All the states of Southeast Asia must explore the enactment of money laundering control, asset forfeiture, and conspiracy legislation. These laws would enable the law enforcement officials to trace and seize the assets of large scale trafficking organizations and cripple their operations. Lastly, the nations of Southeast Asia must collectively recognize the threat drug trafficking represents to their governments and societies. Parochial and longstanding cultural rivalries should be subordinate to the common foe—the drug trafficker. Failure to do so could have serious long term implications for stability in the region.

Lastly, cannabis production in Hawii remains a serious problem. A lack of resources and interagency coordination between Federal agencies is hampering the eradication effort and facilitates the trafficking of Hawaiian marijuana to the mainland United States.

KOREA

COUNTRY TEAM BRIEFING

On Saturday afternoon, January 16, 1988, members of the delegation met with the U.S. Ambassador to South Korea, James Lilley, and his staff, to discuss narcotics and other issues affecting bilateral relations with Korea. Members of the U.S. Embassy Staff who joined Ambassador Lilley in the briefing were Deputy Chief of Mission Thomas S. Brooks, Economics Officer Chris Hill, DEA Country Attache Joseph Braddock, Defense Attache Colonel James V. Young, Counselor for Commercial Affairs George Mul, Special Assistant to the Ambassador John Stein, and Agricultural Attache James Ross.

Ambassador Lilley told the delegation that a leading issue of contention between South Korea and the United States was the desire of the United States to have the Government of South Korea open up its markets to American products and services, particularly high quality beef, insurance and cigarettes. Ambassador Lilley stressed, however, that the United States and South Korea have a good relationship on most of trade items between the two countries.

Ambassador Lilley also stated that there was other good news in the current relationship with the United States, especially the successful conclusion of the recent Korean elections, the end of student demonstrations, and the conclusion of wage negotiations in August, 1987. He said that during all these momentous events the

South Korean military remained in their barracks and allowed civilian forces to work their will. The Ambassador concluded on a positive note saying, "It is a pleasure to see South Korea opening up."

Regarding narcotics, Joseph Braddock stated, South Korea is the largest illicit manufacturer of methamphetamine in Asia. Most of the methamphetamine production, estimated to be between 4,000 and 5,000 kilograms annually, is smuggled into Japan under the control of Japanese organized crime elements. While the product itself does not yet impact directly on the United States, the profits from the sale of methamphetamine in Japan are believed to support Japanese organized crime activities on the West Coast of the United States and in the state of Hawaii.

Kimpo International Airport's role as a transshipment point for heroin from Thailand has been thoroughly documented. Approximately 20 kilos of heroin have been seized in Korea and the U.S. in the past four years from passengers and aircraft transiting Seoul. In 1987 Korea with DEA assistance seized 35 kilograms of Thai heroin in Pusan, Korea. The heroin was being transferred from a Thai merchant ship to a Korean vessel for onward shipment to the United States. Among those arrested were two Thais, two Hong Kong Chinese and two Korean nationals. Also during 1987 a 50 kilogram shipment of methamphetamine was seized by the two agencies from a Korean fishing vessel about to sail to Japan.

The Olympics in 1988 could provide traffickers from Southeast and Southwest Asia an opportunity to increase courier runs to the U.S. At present, in almost all cases at the airport, the heroin never actually enters an area where Korean law enforcement officers will come in contact with it and/or the courier. Passengers usually enter a transit lounge and baggage is simply transferred from one plane to another. Prior information from source countries is required to make seizures under these circumstances. In addition, there is a growing relationship, both diplomatic and commercial, between the Republic of Korea and Pakistan—the principle source of heroin in Southwest Asia. Direct flights and/or sea shipments passing through Korea must be viewed as a potential trafficking route and watched closely.

Mr. Braddock explained that the number of narcotics agents employed by the South Korean Ministry of Health and Social Affairs [MHSA] had recently increased from 40 agents to 80 agents, and that a further expansion to 120 agents is planned in 1988. Also a transfer of authority from the Ministry of Health and Social Affairs to the Ministry of Justice of the authority to investigate narcotics violations is under consideration. This, it is believed, will give drug enforcement a higher priority because the narcotics agents would be placed directly under area prosecutors.

The Drug Enforcement Administration's office in Seoul was established in 1974. At that time and until January 1983, the office was staffed by two Special Agents, an American secretary, and an FSN Investigative Assistant.

In February 1983 a decision was made to reduce the number of Special Agents to one. This decision stood even though the then Ambassador and DCM strongly objected as did the DEA representative.

Chairman Rangel initiated the questioning by asking why the South Koreans were so fearful of their North Korean neighbors. Ambassador Lilley responded that North Korea has 200,000 more people under arms, 800,000 to the 600,000 troops South Korea has. He also mentioned that North Korea has constructed tunnels under the demilitarized zone and ordered the recent shooting down of a Korean Airliner in which 115 people were killed. He complimented the efforts of the South Korean police in getting a North Korean agent, Kim Hyon-hui, to admit that she and a male companion, Kim Sung-IL, planted two bombs aboard Korean Airlines Flight 858. Ms. Kim Hyon-hui confessed that the bombing was ordered by Kim Jong-IL, son of North Korean leader Kim IL-Sung.

Mr. Rangel urged Ambassador Lilley to stress to the South Koreans that if they did not cooperate with the U.S. in resolving trade issues, the U.S. Congress would have no choice but to intervene and pass trade legislation which the South Koreans would like even less. The Government of South Korea has been able to reduce its trade deficit from \$44 billion to \$35 billion, however, the Government of South Korea still has a \$5 billion trade deficit with Japan. Much of the deficit with Japan is the result of the purchase of components for Korean-built electronics.

Representative William Frenzel commented that when the United States urges the South Koreans to buy American electronic components and machine tools, they instead buy these items from the Japanese. He said that South Korean finished goods and high-value products flow freely to the United States, but not vice versa. He cited two examples, cigarettes and automobiles. He said that as long as they were going to smoke cigarettes, they could buy some from American manufacturers. Regarding automobiles he said that when South Korean cars were sold in the United States they are subject to a four percent surcharge, however, American automobiles sold in South Korea are subject to a 280 percent surcharge. Up until July 1, 1987, American cars could not be sold in South Korea at all. Congressman Frenzel said there would be a market for American luxury automobiles in South Korea, but American manufacturers cannot compete when their cars are subject to a 280 percent tariff.

Ambassador Lilley said that opening up South Korean markets to such American products as cigarettes and automobiles would not close America's \$9.2 billion trade deficit with South Korea, but it would change the trading climate between the two nations. While American exports to South Korea increased 30 percent in 1987, the positive effect of this was offset because South Korea's exports to America were also up 30 percent.

Another issue of concern between the two nations is that of patent infringement and intellectual property rights. Ambassador Lilley said that if the South Korean are going to counterfeit goods they should pay a royalty on these reproductions.

Congressman E. Clay Shaw, Jr. asked Ambassador Lilley if he could think of any kind of legislation the U.S. Congress could pass to address the trade imbalance issue which would not be discriminatory, but would be reciprocal. Ambassador Lilley responded that the necessary tools, such as the General Agreement on Trade and Tariffs [GATT], are already in place.

Congressman Frenzel said that the Reagan Administration may make some important decisions on trade affecting the South Koreans this week. Ambassador Lilley stated that South Korean trade representatives have told him that if the United States is going to pass any restrictive trade legislation it should not apply just to South Korea, but to other nations as well. Ambassador Lilley said that the Government of South Korea has allowed two American insurance companies to conduct business in South Korea, but it has refused to allow American insurance companies to join forces with South Korean conglomerates in joint ventures. This, if permitted, would give American service industries expanded access to Korean markets, capital and business opportunities.

In summary, while Ambassador Lilley said there were difficult trade issues between the two nations to be resolved, he was hopeful that additional Korean markets would be opened up to American companies in the months ahead. Narcotics abuse among the Korean population is very low, but is seen by the Government of South Korea to be increasing. It is not an overriding political issue for the host government and funds budgeted for narcotics enforcement are relatively small. To the extent that an international drug problem exists, it consists of South Korea's role as the major producer of illegal methamphetamine in Asia and as a transshipment point for heroin destined for the United States and other world markets.

Recent seizures in the Republic of China and Japan indicate that some clandestine methamphetamine laboratories have moved from Korea to Taiwan.

Some drug abuse is also present among the 40,000 American troops stationed in South Korea, with marijuana and methamphetamine being the drugs of choice. The DEA office in Seoul keeps abreast of drug trafficking trends and supports the host government and American military authorities in the development of their capabilities.

VISIT TO THE DEMILITARIZED ZONE

On Saturday morning, January 16, 1988, a group from the delegation was led on a tour of the United Nations Joint Security Area by Colonel Charles B. Coffman and Lt. Colonel John Patrick.

The delegation visited Pan Mun Jom, at the 38th parallel, and saw the conference area at which the discussions between the North and South Koreans ending the Korean war were conducted and where Armistice discussions continue to the present day. Today, 35 years after the signing of the Armistice ending the conflict, the tension between the two nations is immediately apparent. North Korean soldiers face-off against their South Korean and American counterparts less than ten yards apart. North Korean observation towers surround the area, and North Korean soldiers take pictures of all visitors to the area. North Korean positions along the DMZ are heavily fortified, the surrounding fields are mined, and the North Koreans broadcast propaganda over loud speakers from "propaganda village" six to twelve hours a day. The theme of these messages are calls for a pullout of the U.S. military presence from South Korea.

The United Nations Joint Security Force maintains a "quick reaction force," men trained in hand-to-hand combat, who are ready to respond to any emergency in 90 seconds or less. The men of this force are on a continual state of alert. The situation is so serious and the tension so great that men selected to serve on the joint security force are all volunteers who are very carefully screened before they are assigned to this duty.

The Joint Security Force at the 38th parallel is assisted by the four members of the neutral nation supervisory commission. These nations are Switzerland, Sweden, Poland and Czechoslovakia. This commission facilitates discussions between both sides and attempts peaceful solutions of any dispute.

The DMZ is a 4,000 meter-wide strip of land that runs along the line of cease-fire from the east to the west coast of the Korean Peninsula for a distance of 241 kilometers. The delegation also visited the "Bridge of No Return," the site of POW prisoner exchange at the end of the Korean War.

Colonel Coffman and Lt. Colonel Patrick related two incidents at the DMZ in which blood was shed between the two sides. One incident occurring in 1984 when a Soviet defector from the North ran across the boundary and was covered by South Korean and American groundfire. The other hostility resulted during a confrontation between the two sides when a tree along the border was being trimmed by the members of the Joint Security Force. The latter occurred in 1976 is known as The Pan Mun Jom ax murder incident. This incident resulted in the death of two American officers and has come to symbolize continuing East-West tensions.

Sadly, the situation at the DMZ separating North from South Korea is stark proof that hostilities between the superpowers continue to exist today.

RECOMMENDATIONS

1. The level of heroin trafficking from Korea to the United States must be followed very closely. Recent seizures have documented the continued strength of Thai, Chinese and Japanese trafficking groups in their movement of Southeast Asian heroin to Hawaii and the West Coast of the United States. The investment of narcotics related profits by these groups in Hawaii and other areas underscores the continuing vitality of these organized crime elements and their strong profit motivation for continued trafficking. The 1988 Seoul Summer Olympics and increased political and economic links between Pakistan and Korea both have the potentiality of increasing heroin trafficking to the U.S. through Korea. DEA and the State Department must remain vigilant when monitoring these trafficking trends.

2. South Korea is the largest manufacturer of illicit methamphetamine in Asia. Although little of this traffic reaches the United States, the high level of production that does take place is of the utmost concern. The uncontrolled production of illicit methamphetamine adds to the profits of international drug cartels and weakens the overall international narcotics control system. The South Korean government is planning an expansion of its narcotics enforcement personnel and examining the possibility of placing all

narcotics control functions under the Ministry of Justice in response to this problem. South Korea must continue to seek the assistance of the United States and other nations on steps it can take to control methamphetamine production.

3. The Department of Justice and DEA should seriously explore expanding their presence in South Korea. The threat of increased heroin trafficking to the U.S. and the large profitable methamphetamine production make Korea a potential trouble spot for U.S. narcotics control efforts. The current one agent, one secretary presence seems hardly adequate for the level of narcotics activity in this country. The situation should be reviewed with an eye toward increasing DEA agent presence in South Korea.

THAILAND

In addition to meetings with Ambassador William A. Brown, Deputy Chief of Mission Joseph Winder, Narcotics Assistance Counselor James J. Gormley and the DEA country attache Rolland Hughes, the Committee met with the following Thai officials:

- Air Chief Marshal (ACM) Siddhi Savetsila, Foreign Minister.
- Chuan Likphai, Speaker of the House of Representatives.
- General Pow Sarasin, Director General of the Police Department.
- Admiral Sonthi Bunyachai, Deputy Prime Minister.
- Police Major General Chawalit Yotmani, Secretary General, Office of Narcotics Control Board (ONCB).

FINDINGS AND RECOMMENDATIONS

1. Thailand is to be strongly commended on its successful drug eradication effort. Illicit production estimates range between 20 and 50 tons. This compares to levels of 150-200 tons 10 years ago. With the cultivation of opium in Burma and Laos estimated to have increased by 40%, the delegation sees a need to further intensify the existing excellent interdiction work conducted by the Thai Police as well as joint investigations with DEA.

2. The RTG should further consider the use of herbicides in the eradication of its remaining opium cultivation, as well as for the increasing marijuana cultivation. An aerial survey of the marijuana growing areas would be helpful in assessing the scope of that problem.

3. The delegation urges the RTG to pursue its dialogue with the Burmese government to enhance and speed up information sharing, as well as developing joint operations against the traffickers and the opium refineries.

4. The delegation strongly recommends that the RTG and the legislature enact law enforcement tools which would enhance the Thai law enforcement effort against drug trafficking organizations and lead to the prosecution of drug kingpins. The following proposals are urged:

- Ratification of a Mutual Legal Assistance Treaty (MLAT) by the Thai Parliament. This treaty, signed in 1986 by the Thai and U.S. Governments and approved by the U.S. Senate, would bring even closer cooperation between Thai and U.S. narcotics investigators and permit the sharing of narcotics assets seized

in the U.S. when Thai law enforcement is involved in the investigation.

- Enactments of conspiracy, money laundering, and asset forfeiture statutes by the Thai Parliament. Passage of these laws will enable Thai law enforcement officials to trace and seize the assets of large scale trafficking organizations and cripple their operations.

COUNTRY TEAM BRIEFING

On Monday, January 18, 1988 the delegation received a briefing from the U.S. Embassy personnel on the narcotics situation in Thailand. Trade and economic issues were also discussed. The discussion was led by Deputy Chief of Mission Joseph Winder; James J. Gormley, Counselor for Narcotics Assistant; and Rolland Hughes, Country Attache for the Drug Enforcement Administration.

The Narcotics Assistance Unit (NAU) works closely with two specific Royal Thai Government (RTG) agencies, the Department of Technical and Economic Cooperation (DTEC) and the Office of the Narcotics Control Board (ONCB). DTEC is located within the Office of the Prime Minister and is charged with coordinating all foreign assistance coming into Thailand. DTEC provides fiscal administration, auditing, local procurement, program monitoring, and long-term planning support to NAU projects. The ONCB is also located within the Office of the Prime Minister and is responsible for coordinating all anti-narcotic activities implemented by the RTG.

Between FY 1974 and FY 1987, the U.S. has provided a total of 32.8 million dollars to support RTG narcotics control efforts. For FY 1988, the NAU is planning to provide 4.5 million dollars to support the Narcotics Crop Control and Narcotics Law Enforcement Projects. These two projects reflect current program priorities which are to eliminate the cultivation of narcotics crops and to disrupt the trafficking of illegal drugs through Thailand. The Narcotics Crop Control Project supports RTG development and eradication programs designed to convince hilltribe and other farmers not to grow opium and marijuana. The Law Enforcement Project, on the other hand, supports efforts to interdict narcotics before they enter the international market. To do this, basic commodity and training assistance is provided to the specialized RTG anti-narcotics law enforcement agencies.

The assistance provided to date has had an important impact. Opium production has dropped for the last twenty years from 150-200 tons per year to under 50 tons. Narcotics arrests continue to rise year after year, with approximately 36,000 persons arrested on drug charges last year. Drug seizures continue at a high level with approximately 1,000 tons of fresh marijuana, over 50 tons of processed marijuana, and more than 12 tons of opium-equivalent being seized in 1987 by RTG narcotics enforcement agencies. Assistance to these two program areas will continue for the indefinite future.

The DEA Bangkok Country Office [BCO] has the responsibility for the Kingdom of Thailand. It's primary mission is two-fold—the interdiction of narcotic trafficking to the United States, and increasing the professionalism and efficiency of Thai narcotic en-

forcement organizations. In addition to this, the BCO is tasked with obtaining narcotic intelligence in Laos, Kampuchea, Burma and Vietnam.

The BCO is divided into three offices: Bangkok which consists of 17 Special Agents, 2 Intelligence Analysts, 9 Support Personnel and 8 Investigative Aides and Translators; Chiang Mai which has 4 Special Agents, 1 Intelligence Analyst, 3 Support Personnel and 2 Investigative Aides; and Songkhla which is staffed by 3 Special Agents, 4 Staff Personnel and 2 Investigative Aides.

For the past several years, most of the narcotics refining activity in the Golden Triangle occurred in refineries located 10-15 kilometers north of the Thai/Burma border in the areas of Piang Luang, Doi Lang, Lao Lo Chai, San Klang, and Ho Mong, refineries either operated by or under the "protection" of one of several insurgent groups operating in Burma.

Recent intelligence confirms the existence of numerous heroin refining laboratories in Northern Thailand. Whereas in the past, traffickers were operating small, mobile heroin refineries located close to the northern Thai/Burma border. Current intelligence has revealed that heroin refining labs are now larger and much more sophisticated, and are situated well inside Thai territory.

The City of Bangkok is the preferred location for finalization of narcotics transactions destined for Hong Kong, Australia, Europe and the United States, due largely to the fact that it is also the country's financial, economic, and tourist center.

Bangkok's Don Muang International Airport is the starting point for the majority of heroin destined for the United States. Shipment is either by courier, carrying relatively small amounts, or by air freight, when larger amounts are moved.

The increasing traffic in marijuana, particularly that destined for the United States, make use of small oceangoing vessels that load offshore from small craft. Most of this traffic originates from any one of the numerous small ports that ring the northern shore of the Gulf of Thailand.

Discussion was also raised about American involvement in Thailand's growing marijuana production. U.S. entrepreneurs with experience in marijuana cultivation have supplied technical knowledge to Thai marijuana traffickers. This situation is being closely watched by the U.S. Embassy.

Two major seizures of heroin were made recently as a result of Thai-DEA cooperation. One was a seizure of 680 kilograms of heroin in Bangkok in October, 1987. The other occurred on January 19, 1988 while the delegation was visiting Bangkok. Two Thai nationals were arrested with 140 pounds of heroin destined for New York. Members of the delegation participated in a press conference with Thai police officials announcing the arrest.

Thailand has established zones in border areas prohibiting the use and possession of precursor chemicals such as acetic anhydride, used in the manufacture of heroin. Existing laws dealing with narcotic offenses carry heavy penalties for those convicted. However, the absence of narcotic conspiracy statute makes it extremely difficult to secure convictions of the major traffickers.

DEA continuously encourages the Thais to pass an effective Narcotic Conspiracy Law and Asset Seizure Law. DEA also feels that a

more effective means of opium and marijuana eradication could be used, such as for opium the slash and burn method, and for both opium and marijuana use of herbicides to destroy the crops. It is also believed that the Thais could make a much stronger effort to seal the Northwestern border between Thailand and Burma. From this area, opium and heroin are brought into Thailand and consumer goods are daily delivered to the narcotic insurgent groups working in the area.

Concerning economic matters and other bilateral issues affecting U.S.-Thai relations the briefing elicited the following facts:

- America's trade deficit with Thailand rose to approximately \$1.2 billion in 1987. \$2.2 billion U.S. imports versus \$1.0 billion in exports to the U.S.
- The Thais are very concerned about United States agricultural export subsidies—particularly for rice—and the threat of protectionist measures by the United States on textile products which make up Thailand's largest export item by value.
- Shrinking U.S. budgets for development and security assistance and refugee programs concern the Thais.
- The amount of Foreign Military Sales credits and Military Assistance Plan grants to Thailand declined from \$100 million in fiscal year 1985 to \$50 million in fiscal year 1987. There is a fear this will lead to Thai dependence on other sources for military hardware. Yet, the number of combined Thai-U.S. military exercises increased from four in 1980 to 38 in 1987.
- During fiscal year 1987, approximately 21,000 Indochinese Refugees were processed and moved out of Thailand for resettlement in America. During fiscal year 1988, the comparable figure should be about 23,000.
- Currently the three most important issues facing Thai refugees are right of first asylum for Hmong crossing into Thailand from Laos, a sudden influx of Vietnamese boat arrivals, and assistance and protection of the Border Khmer.

On the morning of January 19, the delegation met with American Chamber of Commerce leaders in Bangkok. The Select Committee has found that the American business community overseas can play an important role in fostering good U.S.-host country relations conducive to narcotics cooperation and control. Delegation Members encouraged them to support local drug awareness campaigns.

The delegation began its series of Thai government meetings with a call on the Foreign Minister, Air Chief Marshal Siddhi Savetsila. Codel Rangel expressed its appreciation for Thailand's drug eradication efforts and praised the King's personal involvement in the crop substitution program. While noting the successes in reducing opium production, the delegation urged the Royal Thai Government to consider the use of herbicides to enhance the effectiveness of this effort.

Minister Siddhi responded that Thailand had reduced the opium cultivation acreage considerably even without the use of herbicides. The application of herbicides is a sensitive issue in Thailand, but the Minister promised that the Royal Thai Government would consider it further. He informed the delegation that the RTG had discussed the use of herbicides with the Burmese government and he,

personally, had concluded that using herbicides in areas controlled by the insurgents had been effective.

The delegation urged the Minister to press for an asset forfeiture law as an effective narcotics law enforcement measure. In addition, the Congressmen recommended money laundering legislation and conspiracy laws to track down major drug traffickers.

The delegation inquired about the extent of cooperation with Burma. ACM Siddhi replied that there was cooperation, in particular, the sharing of information on the movement of drug traffickers. However, he has told the Burmese government that the "indirect" way that they provide information to the RTG was not quick enough, allowing the traffickers under observation plenty of time to leave Thailand. He has urged the Burmese to make "direct contact" with the RTG on drug cases.

He added that Thailand and Burma also needed to cooperate in efforts against the major traffickers like Khun Sa, but believed this would be difficult.

The Minister told the delegation that RTG forces had recently destroyed about 10 refineries in its territory and were making an effort to stop trafficking in the precursor chemical, acetic anhydride.

Minister Siddhi was asked whether he thought that the Lao Government was involved in drug trafficking. He replied that he believed that to be the case, and added that opium production in Laos and Burma had increased by 40 percent over the last year.

Ambassador Brown noted that Foreign Minister Siddhi might visit Washington in May. The delegation and the Minister agreed that a follow-up meeting at that time would be useful.

The next meeting was with the Speaker of the Thai House of Representatives, Chuan Likphai. The delegates were greeted warmly by the Speaker.

The delegation noted what great strides Thailand has made in curtailing opium production and thanked the Speaker for the government's assistance in that and other important areas such as assisting the Indochinese refugees. They explained that recent cuts in economic and security assistance to Thailand were in no way an indication of disinterest or lack of friendship toward Thailand, but an unfortunate consequence of the large U.S. budget deficit. They noted that the cuts affected not only friends and allies throughout the world, but also every segment of U.S. society. They assured the Speaker of their continuing admiration and support, especially in the area of narcotics cooperation and control.

The core of the discussion centered on legislative tools for narcotics law enforcement. The 3 statutes recommended by the delegation were:

- Asset forfeiture: seizing the money and goods acquired through drug trafficking gets the traffickers where it hurts most—their profits. In addition, it supplies a great source of funds for the government. For example, the DEA seized, through the recent asset forfeiture legislation, more assets than its entire budget in 1987. The U.S. Congressmen stressed that this type of legislation had been politically popular in their districts as it both enhanced law enforcement and raised revenues.

—Money laundering: tracing money transactions is an important tool for law enforcement to keep tabs on drug traffickers. Financial investigations provide another angle to tracking down and prosecuting major drug traffickers.

—Conspiracy statute: another useful tool in law enforcement especially helpful in targeting the upper echelon of drug traffickers who don't put their hands on the drugs.

The Speaker explained that a Member of Congress can only submit legislation with the approval of the Prime Minister and that most bills come from the executive branch. Before Congress can vote on a bill, it must be approved first by the Cabinet and then by the Juridical Council. An asset forfeiture bill was pending, but had not yet been submitted to Parliament for debate and a vote. He said that if Congress received a government request to consider the bill as an urgent matter, it would be taken up as soon as it was received. He did not know where the legislation was in the executive branch.

The delegation also urged the Speaker to ratify the Mutual Legal Assistance Treaty [MLAT] signed a year and a half ago by U.S. Attorney General Edwin Meese and Thai Prime Minister Prem. The delegation noted that once the treaty is ratified DEA will be able to share assets seized as a result of joint U.S.-Thai drug investigations. Again, the Speaker indicated that the Executive Branch had not yet submitted the treaty for ratification.

MEETING WITH GENERAL POW SARASIN

The delegation suggested that the Thai Police urge the government to move on asset seizure, money laundering and conspiracy legislation to assist them in their work. General Pow replied that too much police pressure would cause resistance in Congress. He noted the recent successes of the Royal Thai Government's campaign against narcotics: not only has production decreased from 150 metric tons 10 years ago to about 20 tons this year, but the Thai Police have been actively pursuing narcotics traffickers. He mentioned the recent seizure of 680 kgs. of heroin, the largest in Thai history.

General Pow informed the delegation that the police do not make arrests unless they are sure they have adequate evidence to prosecute and convict. If a case is not prosecuted, or if there is no conviction, the accused can sue the government. The General estimated that 95 percent of the people they arrest are sentenced. When asked, he admitted that no one has ever attempted to sue the government in a narcotics case that did not involve a conviction.

The delegation urged General Pow to press for the ratification of the MLAT to enable Thailand to share in assets seized in the U.S. as a result of U.S.-Thai narcotics cooperation. While the General is in favor of the MLAT, he very adamantly stated that he believed if the U.S. seizes assets as a result, in part, of Thai police work, the U.S. should share the assets even without the treaty. He referred to a major case in New York City which was cracked as a result of U.S.-Thai cooperation. A great deal of assets and money were seized and the Thai Police feel they are entitled to a share. Mem-

bers of the delegation who also serve on the Judiciary Committee Subcommittee on Crime promised to look into that possibility when their subcommittee reviews the asset forfeiture statute later this year.

MEETING WITH DEPUTY PRIME MINISTER SONTI BUNYACHAI AND
NARCOTICS CONTROL BOARD SECRETARY GENERAL CHAWALIT YOTMANI

The delegation thanked the Deputy Prime Minister and General Chawalit for their efforts to control the production and trafficking of narcotics in Thailand. They urged them to keep narcotics control a priority of the Royal Thai Government.

The delegation urged the Deputy Prime Minister to use his good office in promoting the enactment of asset forfeiture, money laundering and conspiracy legislation as tools for narcotics law enforcement.

The delegation also urged the Deputy Prime Minister and the General to press for the ratification of the MLAT, stressing the benefit of sharing assets seized as a result of Thai-U.S. narcotics cooperation. The Deputy Prime Minister informed the delegation that the MLAT had been approved by the Ministry of Foreign Affairs. It was sent to the Juridical Council where it is being studied, and would then move on the Parliament for a vote.

GENERAL POW'S PRESS CONFERENCE

The delegation was informed that The Royal Thai Police had made a large heroin bust at the time of their meeting with the Deputy Prime Minister. The delegation was invited to participate in the press conference on the seizure and arrests.

Two Thai drug traffickers were arrested with 65 kgs of 90% + pure heroin #4, which is the kind that is injected. The heroin was destined for New York City and had an estimated street value of \$1.6 million. The arrests were the result of a joint Thai Police (MNU division—Municipal Narcotics Unit) and DEA investigation. The opium was grown in Laos which is where it was refined, and the 2 traffickers were from northern Thailand, near the Laotian border.

Two large suitcases were brought into the press conference room and unloaded. Over 80 800-gram packets of heroin were set out on the conference room press table. One was opened revealing the white powder. The 2 men arrested were brought into the conference in handcuffs and sat down next to the scale which had been used to weigh the heroin packets. They were interrogated in front of the press with no legal counsel present.

The arrests were illustrative of the excellent narcotics interdiction work done by the Thai Police and of the outstanding working relationship between the Thai authorities and DEA. In addition, it provided interesting insights for the American legal experts on Thai jurisprudence.

BURMA

COUNTRY TEAM BRIEFING

On January 20, 1988 the delegation journeyed to the Socialist Union of Burma [SUB] for a discussion of Burma's narcotics eradication and enforcement program. The activities for the day included a Country Team Briefing at the residence of the U.S. Ambassador and a series of meeting with Burmese Government officials.

Ambassador Burton Levin led the Embassy staff on a discussion of political, social and economic issues affecting Burmese-U.S. relations. Political Officers Albert L. Bryant and Gregory Korniloff led a specific discussion on Burmese narcotics control efforts. In his general overview of the Burmese political and economic system, Ambassador Levin indicated that while the Burmese "way to socialism" has failed to meet the rising expectations of the Burmese people, there are several favorable trends developing within Burma that should permit a more progressive society as a younger generation replaces the present military oligarchy led by General Ne Win. Among these trends are:

- Complete dissolutionment with the "Burmese Way of Socialism."
- Recognition of the need for economic development.
- A strong pro-West bias.
- Influence of American culture.
- Travelling opportunities to the West.
- Large sources of on-shore oil.

Concerning narcotics control, the Embassy officials made the following observations.

Burma is the largest producer of illicit opium. The opium growing areas are in the northern and northeastern part of the country in the states of Shan, Kachin, Chin and Kayan. Most of the opium growing areas are controlled by a number of insurgent/trafficking groups.

Opium production in 1986 is estimated at 81,400-127,900 hectares, with an average yield of 10 kilograms per hectare. In 1986-87, opium production appears to have been at least 845 metric tons.

Opium planting in the Shan State in areas controlled by the Burma Communist Party [BCP] increased in the 1986-87 growing season. Favorable weather, poor economic conditions, increased planting, more equipment, and centralized control by the BCP have all contributed to this increase. The BCP has gotten ruthless in its demand for opium cultivation. They have demanded two acres of poppy cultivation per household, and recently asked for an acre for every household member over sixteen. Failure to comply is met with harsh penalties.

The BCP controls the largest opium growing areas in the Shan State; 200,000 acres out of 250,000 acres of cultivation. The BCP began as ideological revolutionaries with Chinese support. However, in recent years their ideological alignment with the Chinese has decreased and a more concentrated involvement in the drug trade has emerged. The other insurgent groups are ethnic separatists, such as the Kachin, Lahu, and Wa. Others are profit orientated warlord smugglers, including Chang Chi-Fu (also called Khun Sa)

of the Shan United Army and Mo Hein of the Tai Revolutionary Army [TRA].

None of the insurgent groups are viewed as a threat to the stability of the central government. However, they continue to drain material and human resources in a series of protracted civil wars with the Rangoon Government. This has a severe negative impact on the government's ability to deal with the narcotics problem directly. In addition, the insurgent groups dominate most of the border areas.

Eradication

The Burmese began aerial spraying of illicit opium in 1985 after many tests of the herbicide 2-4.D. The Burmese felt it was safe and effective to use against the illicit cultivation without any environmental damage. The Burmese Government reported the following opium eradication for the 1986-87 growing season:

Southern Shan State, 1,409.4 acres (manual eradication).

Eastern Shan State, 13,045.0 acres (aerial spraying); 2,262.3 acres (manual eradication).

Northern Shan State, 9,585.0 acres (aerial spraying); 13,863.5 acres (manual eradication).

Total, 40,225.2 acres (approximately); (16,090.08 hectares).

This represents a 16 percent increase in reported eradication over the 1985-86 growing season (13,597 hectares).

The Burmese Government has set an eradication target of 50,000 acres in the 1986-87 growing season.

The Burmese Government considers the eradication program a military operation and deploys ground troops to provide security in target areas. The Burmese Army has incurred many casualties in this effort. For example, during the first eight months of 1986, Rangoon reported 233 killed and 436 wounded in anti-narcotics operations. Recently the Burmese lost one Thrush spray plane and a pilot in the eradication program.

The United States assists the program by improving air transportation, communications, and investigative capabilities of the Burmese military and police. The U.S. has provided 33 aircraft to the effort; 5 Thrush with spray capability, 24 helicopters, and 4 other support aircraft.

Enforcement and Interdiction Efforts

Both the Burma Army and the People's Police Force (PPF) have been active in enforcement and interdiction activities. The army has put continuous pressure on narcotics caravans moving to the borders.

Refineries are located close to the Thai-Burma border in the Shan and possibly the Kayah State. Most of the refined opiates are smuggled across the Thai/Burma border into Thai and international markets. However, army pressure on the border and struggles among the insurgent groups have resulted in the development of other trafficking routes. For example, subsidiary cross-country routes into India appear to have been used increasingly since 1986.

Throughout 1986, the army continued its "Mohein Operations" against Shan United Army refineries and military installations in the Thai/Burma border area.

In November 1986 the Burmese Army undertook a major offensive against the BPC and pushed them back to the Chinese border. In 1987 the army seized the headquarters of the Kachin Independent Army [KIN] also forcing them back to the border. In the same operation the Burmese intercepted two BCP caravans. The Burmese Army effort has led to the smashing of four refineries in the Burma/Laos/Thai border area.

Meetings With Burmese Officials

The delegation had a series of meetings with the following Burmese officials: U Ye Goung, Minister for Foreign Affairs; U Min Gaung, Minister for Home and Religious Affairs; U Saw Hlaing, Deputy Foreign Minister; Khin Waung Win, Deputy Minister for Home and Religious Affairs; U Thein Aung, Director General, People's Police Force.

The discussions with Burmese officials centered around the eradication and enforcement efforts and the Burmese drug abuse treatment program.

For drug addicts, medical treatment sector has set up seven hospitals and thirteen dispensaries where they can be registered and given medical treatment. According to records up to 1984, the estimated number of registered drug addicts were over forty-eight thousand with some still unregistered for various reasons.

Programs for training the rehabilitated addicts in order to bring them back to normal stream of life is being undertaken by the rehabilitation sector. After-care programs are also arranged for those who have completed the rehabilitation program so that they may not become drug addicts once again.

Lectures on the danger of drug abuse are given to school children and competitions for posters, cartoons, poetry and essays with anti-drug themes are held to educate young children. Other activities to provide children with information on the menace of drugs are also undertaken in cooperation with teachers and parents.

Concerning the eradication/enforcement effort, the Burmese officials stated that they were greatly satisfied with the results of the aerial eradication program. The amount of eradication that can be achieved in this manner, as opposed to manual eradication, is clearly more efficient and cost effective to the Burmese. Aerial spraying has reduced the amount of manpower, transportation, and logistical support needed to sustain the eradication effort. This has enabled the Burmese to employ these assets in other aspects of the anti-narcotics effort.

The Ministers emphasized there were injuries and loss of lives from the Burmese side in the clashes between the Burmese Army and drug traffickers on their way to clandestine laboratories with opium and morphine carried by donkeys and porters. Formerly, insurgents transported opium from its original place to the clandestine laboratories. Today they transport in the form of morphine base which is produced from the opium at the station nearest to the poppy fields. It became increasingly hazardous for the law en-

forcement agencies to prevent the illicit drug trafficking because insurgents and drug traffickers are now using modern communication equipment and light modern weaponry with heavy fire-power. It is one of the main reasons, the authorities believe, in the short fall of seizures in opium and raw opium.

The Ministers indicated they would review their resource needs with an eye toward determining what equipment would better enable them to fight the drug traffickers. The meetings concluded with calls by the delegation for closer cooperation by Burma with its neighbors; Thailand, China and India in controlling opium and heroin production and trafficking and the flow of precursor chemicals.

RECOMMENDATIONS

1. Burma is to be congratulated on its aerial eradication effort. Its willingness to undertake this venture at great physical and political risk underscores Burma's commitment to narcotics control. Burma should explore what resources it feels it could effectively deploy in the expansion of this program to achieve the maximum reduction in the amount of illicit poppy cultivation.

2. Burma should open and continue dialogues with its neighbors, especially Thailand and China in the development of a concerted strategy to destroy the opium/heroin refineries in the border areas.

3. Similarly, regional cooperation between Burma and its neighbors on the control of precursor chemicals through the area must be explored.

SINGAPORE

In addition to meetings with U.S. Ambassador Daryl Arnold, Deputy Chief of Mission Peter Higgins, DEA attache Philip Hartman and other Embassy officials, the delegation met with the following Singaporean officials:

- Prof. S. Jayakumar, Minister for Home Affairs and Second Minister for Law.
- Poh Geok Ed, Director of the Office of Central Narcotics Board (OCNB).
- Tee Twa Bat, Director of Prisons.

EMBASSY BRIEFING

Singapore is a non-aligned country which is friendly to the U.S. Bi-lateral relations are considered excellent. We share an economic philosophy of capital enterprise and free trade. Singapore is even more zealous in its free market philosophy than the U.S.

A republic since 1965, this small country is under the tight control of Prime Minister Lee Kuan Yew and his People's Action Party (PAP). The government owns the press and has part ownership in many of the business enterprises in Singapore. When it sees the need, it does not hesitate to use authoritarian measures to control a problem. The government's approach to the narcotics problem includes many measures which would be considered severe, or an infringement of constitutional rights in the U.S.

Singapore neither produces nor refines narcotics. It considers itself a victim country. Given its excellent geographic location

which has made it a world trade center, and its proximity to the Golden Triangle, it is a natural transit point for heroin from Burma, Laos and Thailand. Only recently has the Government of Singapore recognized that large amounts of narcotics transit its air and seaports.

Singapore spends four times more on demand reduction than on law enforcement. Several years ago, Singaporean officials conducted mandatory urinalysis on people they suspected of abusing drugs, and found 13,000 heroin addicts. To date, they estimate an addict population of 7,000 (1,000-2,000 opium addicts and the remainder heroin No. 3 addicts—no heroin injectors). An addict can be sentenced to mandatory rehabilitation. The normal length of stay is 2 years, but the maximum is 3 years. They claim to have a cure rate of 40%. The program was compared to boot camp with some on the job training.

On the law enforcement side, the Central Narcotics Bureau is similar to DEA. It has 3,000 agents. The narcotics control statutes include mandatory death sentence for heroin and morphine traffickers. 22 people have been put to death so far under this provision, including 1 woman, and about 40 are on death row.

One of the most important aspects of Singapore's drug law enforcement is a measure called "preventive detention." This enables the police to put someone in jail without a trial. There must be enough evidence for a trial, but, according to DEA, the government decides to detain someone when a trial would reveal an informant or undercover agent.

The Embassy has been urging the government to relax banking and secrecy laws, to allow asset forfeiture and to enact money laundering laws, but to date, there is no evidence that the government is interested in pursuing any of these avenues of drug law enforcement.

The government does permit controlled delivery, they do allow wire taps and they do have the use of 3 detector dogs in the air and seaports.

SINGAPORE GOVERNMENT MEETINGS

The Singaporean officials elaborated on some of the points that the Embassy had discussed.

Drug Rehabilitation Centers (DRC).—By law the Central Narcotics Board is authorized to place an addict in a DRC on the basis of urine tests and/or medical observation. This compulsory treatment avoids going to court and allowing the addict to go free on bond.

The DRCs are administered by the penal system, although they are housed in different structures. Physical fitness is part of the regimen and job training is provided. Many companies in Singapore use the addicts in the DRC to manufacture components of their goods. Job placement is provided; indeed, a job is required for a resident to be released. A resident must be reviewed by medical doctors prior to release, and once released is on probation for 2 years. An addict's passport is revoked for 10 years, if clean, and longer if he/she relapses.

Preventive Detention.—According to Minister Jayakumar, the system of preventive detention was devised since normal assump-

tions of the criminal justice system break down in drug cases, due to intimidation, bribery, etc.

The OCNB must process a case through a series of reviews in order to prevent abuses. The evidence is presented by the OCNB with justification as to why the case cannot be heard in a court of law. The Attorney General must review the case and either send it to the courts or approve it, and pass it to the Minister of Home Affairs. After his approval it goes to the Cabinet. If approved, the detention lasts for 1 year, at which time it is reviewed. The annual review and extension can go on indefinitely. About half of the 1,000 preventive detention cases are drug-related. The other half are in for security reasons or are part of the local organized crime groups.

In addition to preventive detention and strict sentences, Singapore has a penal provision which it claims is an effective deterrent: caning. Medically supervised, caning is a cross between whipping and beating. A bamboo cane is shredded, soaked in a salt solution and brought down on the bare backside of the criminal with great force. A drug dealer with a life sentence might also be sentenced to 20 canes. After each blow the doctor examines the criminal to determine whether or not he/she can sustain another blow without permanent damage. If not, the sentence is not lifted, but is delayed until the criminal has recovered enough to sustain another blow.

The delegation discussed legislative law enforcement tools, such as asset forfeiture, money laundering and conspiracy legislation. Minister Jayakumar expressed an interest in the asset forfeiture legislation and said he would review our law and any studies on its effectiveness.

Delegation Members commented that while some of the Singaporean measures may work in Singapore, they would be considered an infringement of constitutional liberties by most Americans. Prof. Jayakumar responded that Singapore also has a Bill of Rights in its Constitution, but they preferred to err on the side of protecting the majority than on the side of protecting the individuals.

MALAYSIA

BACKGROUND—JANUARY 21, 1988

Malaysia does not produce opium. It is, however, a major heroin transitting and processing nation with a sizable and growing heroin addict population. Heroin, which is manufactured from opium poppies grown in the Golden Triangle and Burma, Thailand and Laos, is trafficked through Thailand and Burma to Malaysia and Singapore. It is eventually destined for Europe, Australia and the United States. Small amounts of cannabis are cultivated in Malaysia; marijuana is consumed locally.

Malaysia annually processes approximately five metric tons of heroin. It is also a supplier of Acetic Anhydride [AA], a key chemical precursor used for the manufacture of heroin. Most of the heroin is refined along Malaysia's northern border with Thailand.

As of November, 1986, the Government of Malaysia lists 120,332 registered addicts; the addict population is estimated to range between 350,000 and 420,000.

As a result of the growing drug addiction among its citizens, the Government of Malaysia enacted in 1983 a series of stringent

amendments to its Dangerous Drugs Act of 1952 that permits (a) the mandatory death penalty for drug traffickers who possess 15 grams of heroin, or 1,000 grams of opium, or 200 grams of cannabis; (b) mandatory whipping for the possession of small amounts of drugs (2 grams of heroin/morphine, 20 grams of cannabis, 100 grams of opium); (c) preventive detention, without trial, for two years for an individual suspected of drug trafficking, the penalty of which can be extended for an additional two years; and (d) compulsory commitment for those drug addicts who do not voluntarily enter a drug rehabilitation center.

Malaysia leads the ASEAN nations in contributing to the United Nations Fund for Drug Abuse Control [UNFDAC]. Since UNFDAC's inception in 1971, Malaysia has contributed \$55,000 to the UN Drug Fund, which finances its global war against drug trafficking and drug abuse from voluntary contributions of the member states of the United Nations, followed by the Philippines (\$22,000), Thailand (\$19,000), Indonesia (\$14,000), Brunei (\$3,000—this was its first contribution and it was made in 1986), and Burma (\$0).

BRIEFING WITH U.S. EMBASSY PERSONNEL

Ambassador John Monjo.

David Richardson, Drug Enforcement Administration [DEA].

Thomas Hubbard, Deputy Chief of Mission.

Tim Hamilton, Political Section Chief.

Doug Spellman, Political Section.

Malaysia's strategic location—its border with Thailand to the North and its proximity to Burma by sea—make it a natural transshipping state for the trafficking of all opiates. According to DEA, current intelligence estimates that 40 percent of the opiates leaving Thailand enter Malaysia.

Malaysia is strongly committed to combatting narcotics trafficking and drug abuse. It has enacted stringent anti-narcotics legislation that permits the mandatory death penalty and preventive detention for drug traffickers and compulsory drug treatment programs. These measures have had an impact on the trafficking patterns in Malaysia. According to DEA, American and European buyers are not purchasing narcotics in Malaysia; instead they are purchasing their narcotics in Thailand. Its preventive detention legislation permits law enforcement officials to detain a suspected trafficker for two years without trial if the individual is deemed to be a threat to the security of the nation. Approximately 4,100 suspected traffickers have been detained under this legislation. With respect to the mandatory death penalty, 3,146 traffickers have been arrested and charged under the Dangerous Drugs Act, of whom 53 have been executed (hung), including 11 foreign citizens; 117 are awaiting appeal of the convictions.

Malaysia does not have assets forfeiture, bank secrecy, conspiracy for money laundering statutes. Forfeiture legislation is pending in Malaysia's Parliament and it is anticipated that it will be considered by the Parliament in March. The United States has not entered into a Mutual Legal Assistance Treaty [MLAT] with Malaysia.

According to DEA, the relationship between Malaysia and the United States is excellent.

Bilateral relations among Malaysia and Thailand and Singapore are excellent. Malaysia is a member of the Association of Southeast Asian Nations [ASEAN], whose members are Thailand, Singapore, Brunei, Indonesia, and the Philippines. There is daily contact and narcotics intelligence sharing among Malaysia, Thailand, and Singapore law enforcement authorities.

Malaysia's leadership in helping to combat narcotics trafficking and drug abuse led to the election of Prime Minister Mahathir bin Mohamad as President of the United Nations sponsored International Conference on Drug Abuse and Illegal Trafficking that was held in Vienna in June of last year.

Malaysian authorities have partially constructed a fence along its border with Thailand to help restrict narcotics smuggling. The fence is patrolled by a special anti-narcotics smuggling unit and a paramilitary police unit.

The Foreign Minister presented an overview of the drug problem in Malaysia both in terms of narcotics trafficking and drug abuse and the need for greater international effort to combat this menace, since, as he observed, "no nation can single handily" combat the drug traffickers. Malaysia, with a population of 17 million and a growing drug addiction problem among its citizens, is facing difficult times. This has led to strong law enforcement, preventive and treatment measures.

Prior to 1983, drug addiction was regarded as a social or health problem that was administered by the Ministry of Health. In 1983, narcotics trafficking and drug abuse was elevated to an unprecedented level of priority by declaring it to be a threat to national security. The Anti-Narcotics Committee was placed under the National Security Council of the Prime Minister's Department. Since 1986, the Anti-Narcotics Committee has been chaired by the Prime Minister.

Malaysia has requested additional fast patrol boats and apparently the Coast Guard is looking into the matter.

In late March or early April of 1988, the Parliament expects to take up asset forfeiture legislation.

The Foreign Minister devoted considerable time to the 22,000 Malaysian students that are in the United States. He stressed the need for the United States to amend its immigration laws to permit Malaysian students to spend additional time in the United States since the government cannot find suitable employment for these students.

The number of registered drug addicts in Malaysia has risen from 711 in 1970 to 121,145 for 1986. A record 14,624 addicts were identified in 1983 and added to the rolls. In 1983, the Prime Minister also launched a national anti-drug campaign in the schools and a series of stringent amendments to the Dangerous Drugs Act were enacted.

Heroin is the drug of choice among drug abusers; 73 percent of the registered drug addicts are heroin addicts.

Narcotics trafficking and drug abuse have been declared a threat to national security. The Anti-Narcotics Committee was placed under the National Security Council and is chaired by the Prime

Minister. The Committee is responsible for all matters pertaining to the control and prevention of drug abuse and trafficking in Malaysia, including formulating, implementing, and evaluating a comprehensive, coordinated drug strategy. Fifteen government agencies are responsible for preventing and controlling drug abuse in Malaysia. The Anti-Narcotics Task Force, which operates at the National, State and District level, was established to assist the Anti-Narcotics Committee of the National Security Council. According to the Task Force's 1986 report, it is also responsible for "initiating, coordinating and monitoring the anti-narcotic programs/activities and operations of the various implementing agencies, including non-governmental organizations involved in the anti-drug work".

Task Force officials estimate that the government spends \$330 per addict per month on drug treatment programs. As of October, 1986, 4,222 drug addicts have been referred to the Drug Treatment and Rehabilitation Division of the Ministry of Home Affairs for treatment and rehabilitation. This suggests that the government might be spending \$16.7 million to treat and rehabilitate these addicts.

Drug prevention programs have been integrated in the school curriculum commencing at age six.

Malaysia is a signatory to the ASEAN Declaration of Principles on Drug Abuse Control of 1976 and has been assigned by ASEAN as that region's Training Center for Drug Treatment and Rehabilitation.

FINDINGS AND RECOMMENDATIONS

1. The Government of Malaysia is to be commended for its domestic and international efforts to help combat narcotics trafficking and drug abuse.

2. The direct, personal involvement by Prime Minister/Minister Mahathir in combatting narcotics trafficking and drug abuse is also to be commended. The formulation and implementation of a five-year action plan by the Anti-Narcotics Committee and the implementation of that plan by its Task Force are very impressive.

3. The Government of Malaysia should enact money laundering and conspiracy legislation to provide its law enforcement agencies with the necessary tools to attack the financial aspects of drug trafficking operations. In this regard, DEA could provide valuable assistance.

4. Malaysia is urged to exercise its influence within the ASEAN community and elsewhere in Southeast Asia to encourage its neighbors to financially contribute to UNFDAC's drug prevention and control programs.

INDONESIA

On Saturday, January 23, the delegation, in addition to meeting with U.S. Ambassador Paul Wolfowitz and the narcotics country team, held discussions in Jakarta with members of the Indonesian Parliament regarding narcotics trafficking, treatment, and control issues. Members of the Indonesian Parliament who participated in these discussions were: Kharis Suhud, Speaker; Saiful Sulun, Vice

Speaker; Sukardi, Vice Speaker; and Wang Suwandy, Secretary General.

Other members of Parliament who joined in these discussions were Sarwo Edhie Wibowo, Chairman, Inter-Parliamentary Cooperation Committee; Taufik Hidayat, Chairman, Commission III; Dr. R. Suhadi, Chairman, Commission VIII; Theo L. Sambuaga, Member of Parliament; Sardjito Dharsoeki, Member of Parliament; Walton Silitonga, Member of Parliament; Made Sudiarta, Member of Parliament; Ibnu Saleh, Member of Parliament, and Tati Sumiyati Darsoyo, Member of Parliament. Joining delegation in these discussions was Ambassador Wulfowitz.

COUNTRY TEAM BRIEFING

The delegation was greeted on its arrival by the Ambassador, Commercial Counselor Paul Walter, Narcotics Coordinator Mark Eaton, Political Officer Eric Turner, Defense Attache Col. Jay Musells and ASEAN Secretariat Narcotics Desk Officer Jeanne Mandage.

The CODEL's first official stop was the Pancasila Sakti Monument at Lubang Buaya (Crocodile Hole), a memorial to Indonesia's leading generals who were murdered during the abortive 1965 coup involving the Indonesia Communist Party. The Ambassador briefed the delegation enroute on the political developments leading up to 1965. At the memorial, the CODEL was given an account of the events of 1965-66, which brought Soeharto's new order government to power.

Indonesia produces a high-grade of cannabis, called "ganja," most of which is consumed internally. By the highest estimate, the country produces 200 metric tons of cannabis. Most is consumed domestically, but some Indonesian marijuana is exported to Australia, Holland, Malaysia, New Zealand and Singapore. Only a very small amount enters the United States. Marijuana is grown illicitly in Sumatra, Java, Bali, and Sulewesi. Most comes from the Aceh Province in northern Sumatra, where it grows wild and by cultivation.

In the early 1980's, small numbers of coca bushes were first identified in Java, remnants from Dutch colonial times. Most plants seized in recent years have been in the wild or cultivated as ornamental plants. Some traditional medicines reportedly use coca leaves. An illicitly cultivated mushroom of the psilocybin type enjoys a small market among foreign tourists in Yogyakarta (Java) and Bali. Despite a favorable climate in some parts of Indonesia, opium poppies are not cultivated.

Some international traffickers use Indonesia for transit: heroin (from Thailand); opium (from Thailand via Malaysia); hashish (from Nepal); and precursor chemicals. Indonesia's archipelagic geography and three-quarter million square miles of internal waters and territorial sea include some of the world's busiest international straits and provide countless opportunities for smuggling narcotics and other goods. The primary modes of transit for traffickers have been cargo vessels, fishing and luxury boats, and commercial aircraft. Heroin is smuggled to Australia, New Zealand, and Western

Europe; the amounts surfacing in U.S. markets are not yet believed significant.

Efforts to spur tourism with easier immigration/customs procedures and more direct flights to Bali have increased the chances Indonesia will be used as a drug transit country. Direct flights now connect Bali with Amsterdam, Hong Kong, Singapore, Tokyo, Honolulu, and Los Angeles.

There is no evidence pointing to Indonesia as a money laundering country, although this remains a possibility because of Indonesia's liberal currency exchange system. The 1976 narcotics law allows for seizure and forfeiture of narcotics-related assets and could also be used in money laundering cases. The disposition of seized narcotics is determined jointly by the Ministry of Health and the Attorney General; the proceeds from the seizure of other assets go to the Ministry of Finance.

Assets may be seized without a warrant if the case is urgent; however, a warrant must subsequently be obtained. The assets seizure provisions of the 1976 law do not appear to be vigorously used, perhaps because of the rigorous burden of proof needed in trial. It has on occasion been used to seize cars, motorcycles, and aircraft. Indonesia plans to participate in a February 1988 seminar organized by the Association of South East Asian Nations [ASEAN], which has as its goal a working draft of an assets seizure and conspiracy law for possible adoption as national law by the various member countries.

Indonesia's bank secrecy law, however, complicates police efforts to investigate narcotics crimes. If police suspect that assets related to drugs have been deposited in a bank, they must first obtain a court warrant and then obtain permission from the Ministry of Finance—a time-consuming procedure. The police have the power to freeze bank accounts while in the process of obtaining permission, but money can be moved out of the country relatively quickly under Indonesia's open currency exchange system.

Indonesia has extradition agreements with Australia, Malaysia, the Philippines, and Thailand. Drug offenders may also be extradited to other countries under existing law. Indonesia participates in international narcotics control efforts and is a member of the UN Commission on Narcotic Drugs. It has regular contracts on drug issues with fellow ASEAN members.

The national Coordinating Board [BAKOLAK] is an interagency body charged with coordinating all narcotics activities in the country through its narcotics branch. Actual coordination among the various agencies remains uneven and could be improved. In general, all lack a sufficient budget and trained personnel.

Indonesia's legislation and legal structure are technically adequate to prosecute abuse of and production and trafficking in opiates, coca, marijuana, and synthetic narcotics. The 1976 narcotics law does not cover psychotropic drugs. While these drugs are regulated and trafficking in them is illegal, this omission from the 1976 law complicates police efforts to curb the growing problem of urban psychotropic drug abuse.

Changes in Indonesia's narcotics law must be approved by the parliament [DPR]. By tradition, legislation originates in the executive branch. Within parliament, Commission III (Judicial affairs)

has jurisdiction over changes in the national law dealing with the enforcement side of narcotics control, while Commission VIII (health and social welfare) has jurisdiction over measures dealing with drug treatment and demand reduction.

RECENT ACCOMPLISHMENTS

The police eradicate coca plants and marijuana fields when they discover them. In January 1987, authorities burned more than one and a half tons of drugs and alcohol worth about \$5 million. Statistics for the first six months of 1987 show a tapering off of seizures and drug-related arrests compared with 1986 levels. In August 1987, however, customs officers seized 17.7 kilos of heroin aboard a Thai vessel which had stopped in Samarinda, Kalimantan to load timber destined for South Korea and Japan. This was the single largest seizure of heroin in the last 15 years.

Courts have meted out stiff sentences to convicted offenders, including the death penalty for some heroin traffickers. A South Korean national implicated in an August 1987 heroin seizure in Samarinda has been sentenced to death. Some Westerners, the largest number of whom are Australians, have been convicted of trafficking, primarily in Bali. Several have received prison terms of up to 18 years.

The Government has mounted a highly visible national media campaign against drug abuse and narcotics trafficking, which it views as a major long-term threat to social stability. Youth and women's organizations are increasingly active in public awareness campaigns, and religious organizations are involved in prevention, treatment and rehabilitation. It is difficult to evaluate success on the demand reduction side because of poor statistical data.

DRUG ABUSE AND DEMAND REDUCTION

Marijuana has a long history of use in Indonesia, primarily in northern Sumatra where it is used as a condiment in cooking. Opium has traditionally been used among the Indonesian Chinese communities. The government points to the country's unique combination of cultural, family and religious values as an important obstacle to the widespread abuse of narcotics. A major question is whether such societal values will stand up under conditions of growing urbanization and modernization in the countryside.

Drug abuse is a small but growing problem. Most users of marijuana are adolescents and young adults. The few opium addicts are older people. At present, poly-drug use has become increasingly popular among educated, urban youth, particularly in sedative-alcohol or sedative-marijuana-alcohol combinations.

A national addict registry does not exist, nor are reliable indirect indicators monitored. BAKOLAK estimates that there are 80,000-100,000 drug abusers throughout the country, while the police estimate the number of drug abusers could be as high as 235,000. These estimates make no attempt to provide a breakdown according to drug used.

COOPERATION WITH THE UNITED STATES

The Drug Enforcement Administration [DEA] closed its Jakarta Office in July 1987. This was partly because of budgetary considerations, but mainly because in the assessment of the DEA, with the concurrence of Ambassador Wolfowitz, the small amount of drug activity that takes place in the country does not have much direct impact on the United States. The DEA now monitors drug activity within Indonesia from its office in Singapore. DEA Administrator John Lawn has agreed with Ambassador Wolfowitz that should the situation change in Indonesia, DEA would reassign an agent there. The State Department [INM] has provided no narcotics control funding to Indonesia in recent years. A three-member DEA training team provided a one-day seminar for immigration officers on November 23, 1987 at the National Police Training Center in Megamendung (Java).

MEETING WITH MEMBERS OF THE INDONESIAN PARLIAMENT

The members of CODEL RANGEL were the first group of American Congressmen ever to visit members of the Indonesian Parliament in its present building.

Kharis Suhud said that while Indonesia did not have much of a drug problem at this time, the Indonesian government was by no means complacent. He placed the drug threat in the context of national development, saying Indonesia could not afford to have its young people polluted by the drug scourge. Fortunately, he said, there were several social, cultural and religious factors which had mitigated against drug abuse here. He called particular attention to the Javanese Admonition against the "Five M's:" drunkenness (Mabok); addiction (Madat); stealing (Meling); Gambling (Main); and adultery (Madon).

Kharis Suhud next outlined the special development challenges which Indonesia faces: its archipelagic geography, population growth, and certain legacies of the colonial past. He said Indonesia had gotten a late start on its development compared to other countries in the region. Prior to the launching of its first development plan in 1969, the GOI had been preoccupied with internal problems: the struggle for independence, insurgency, nation-building. By the end of its fifth five-year development plan (1969-1993), however, Indonesia would emerge with a strong industrial base, supported by agriculture, able to meet the basic human needs of its people. He said he was confident that his country would succeed in this objective with the help of the United States and other members of the Inter-Governmental Group on Indonesia [IGGI] donor community.

Chairman Rangel provided the DPR speaker with an overview of his visit to other Southeast Asian countries. The bad news, he said, was that narcotics production in the Golden Triangle was up; the good news was that there were signs of growing international cooperation and commitment from concerned governments. He called Indonesia a great nation working to overcome a multiplicity of historical difficulties and cultural and geographic challenges. The Chairman said the United States appreciated Indonesia's leader-

ship role in the region and hoped for further bilateral cooperation, particularly in the field of trade.

Ranking Minority Member Benjamin Gilman, said that if there were any way for the United States to help Indonesian narcotics control efforts, to please let the Committee know. Noting that Kharis Suhud would be leading the Indonesian delegation to the Asian Inter-Parliamentary Organization [AIPO] meeting next week in Kuala Lumpur, which will include discussions on narcotics cooperation, Rep. Gilman said he was pleased with the increasing degree of regional cooperation on this serious problem. He also cautioned to remain alert about the problem of narcotics trafficking. He cited the case of Colombia and said he could still remember when Colombian parliamentarians had said drugs would never be a problem there; the evidence now was that Colombia was an entire country held hostage by narcotics.

Chairman Rangel said he was initially concerned about shortness of its visit to Jakarta, however, CODEL members wanted to meet with fellow parliamentarians no matter how brief the time. He said he would report back to House Speaker Wright how well-received he had been in Jakarta and would recommend Wright issue a formal invitation to the DPR for some of its members to visit the U.S. House of Representatives. He further suggested the DPR consider inviting Speaker Wright and Minority Leader Michel to visit Jakarta.

RECOMMENDATIONS

1. The United States, to the extent it is requested, should supply the Government of Indonesia with the equipment it needs to successfully eradicate its cannabis cultivation.

2. As Indonesia further develops economically, the Drug Enforcement Administration should monitor Indonesian drug use and drug trafficking trends to see that the country does not become a major drug-consuming country.

3. Because of its location and unique archipelagic geography Indonesia offers unique advantages as a drug transit country. The DEA should monitor the drug trafficking situation closely in Indonesia to see that this does not occur. If the situation develops to the extent that the DEA should reopen its Jakarta Office, it should do so without hesitation.

4. The Bureau of International Narcotics Matters of the State Department should consider ways in which it can assist Indonesia today, which will discourage Indonesia from becoming a major drug transit and drug-consuming country in the years ahead.

HAWAII

The delegation completed its study mission with a briefing on drug enforcement issues in the State of Hawaii. The briefing was conducted on January 24, 1988 by DEA Agents Gregory Demmink and Richard Kempshall and Maui Police Vice Agent Tom Phillips.

Drug enforcement problems in Hawaii, as is true in many states, are quite serious. A lack of resources, manpower, leniency by the state judicial system, and ineffective coordination of efforts by Fed-

eral enforcement agencies contribute to a growing drug cultivation and trafficking situation in our island-state.

Marijuana cultivation remains the most serious problem. In 1987, it is estimated, that \$1 billion worth of cannabis plants were destroyed. The type of marijuana cultivated in Hawaii is of the high-grade sinsemilla variety. A pound of Hawaiian marijuana sells for approximately \$1500-2000 in Hawaii; \$3500-4000 on the West Coast; and for \$6000 on the East Coast. The sophistication of cultivation ranges from individual backyard growers to large scale organizations that employ cultivators and trimmers and arrange for eventual transportation and distribution of marijuana to the mainland U.S. Planting is done year-round, primarily because sinsemilla requires yearly replanting.

According to the DEA agents approximately 70% of the cultivation is done on land titled in the U.S. or State of Hawaii Governments. A significant portion is also cultivated on sugar cane plantations.

Some plantation owners will allow the spraying of herbicides on the plots contained in their sugar acreage. In July, 1987, the State of Hawaii approved the spraying of the herbicide Chevron weed oil on marijuana found in remote areas of the islands of Maui, Molokai, and Hawaii. A lack of equipment, however, has hampered the eradication effort. Only one helicopter is available to state agencies to spray in permissible areas at the cost of \$500 per hour.

According to the agents the major mode of transportation of the marijuana crop to the mainland is through the U.S. mails. Although, cooperation between the Drug Enforcement Administration and the U.S. Postal Inspection Service is said to be "good", neither agency appears to have developed an ongoing program to effectively prevent the pervasion of U.S. mails for trafficking marijuana. The successful "Operation Pele" that was conducted by DEA and the Postal Service in 1984 has not been formally repeated. A lack of resources was cited by the Agents as the reason why Pele-type operations have not been continuously used by the Federal agencies involved in marijuana suppression in Hawaii. Problems were also cited concerning restrictive postal regulations that prevent the search and opening of first-class mail without a warrant.

A key issue is the exact extent of marijuana cultivation on the islands. While considered to be large, the total figure is unknown. Current estimates are made by aerial spotting, eradication results, and seizures.

Thailand is the primary source of Southeast Asian heroin identified in Hawaii. Use of international mails is the preferred method of shipment; commercial air travel is also used. The availability of Southeast Asian heroin is increasing on the streets of Honolulu and sells for as low as \$500 per gram. DEA Task forces are active at airports in both Maui and Honolulu and make use of the Treasury Enforcement Computer System [TECS] and El Paso Intelligence Center [EPIC] systems against smuggler targets.

Cocaine is available in multi-kilo quantities in Hawaii. The bulk of the cocaine available in the State arrives from the West Coast via commercial airlines. Principal smugglers are Peruvians, Brazilians, and Mexicans who obtain their supplies from Colombians operating on the West Coast of the United States. Significant quanti-

ties are also believed to be shipped through private parcel service companies. Cocaine in Hawaii sells for \$35,000-45,000 a kilo; and for \$2,000 per ounce.

Hawaiian state courts are seen as lenient in handing out tough sentences for drug-related offenses. The marijuana growers, in particular, are reported to be very well organized and have allegedly entered into political activities. A significant amount of illicit financial gain and investment is taking hold in Hawaii. The level of violence related to drug trafficking in the State is increasing.

RECOMMENDATIONS

1. The House Select Committee on Narcotics views the drug enforcement problems as quite serious and will make its investigation into the allegations received at its January 24, 1988, briefing in Maui a top priority in 1988.

2. It appears that Federal enforcement agencies in Hawaii need improved coordination of their drug interdiction efforts. A significant amount of Hawaiian marijuana is reaching the mainland United States through a variety of conveyances, including; the mails, commercial aircrafts, private parcel services and vessels. However, it appears that there is an absence of strategic intelligence that has identified preferred modes of smuggling and trafficking patterns. It is imperative that the Federal agencies in Hawaii adopt a strategic plan to curtail the traffic of marijuana from Hawaii.

3. There is an urgent need to conduct a comprehensive survey of the extent of marijuana cultivation in Hawaii. DEA, in conjunction with the appropriate Hawaiian state agencies, should determine the logistical support required for such a survey and the resources necessary to conduct it.

4. The DEA, FBI and Customs Service should review its staffing and personnel request for Hawaii to insure that sufficient manpower and resources are in place to meet the marijuana production and drug trafficking threats that exist in this pivotal state.

5. The Hawaiian state criminal justice system must intensify its efforts against drug production and trafficking and mandate stiff penalties for those convicted of marijuana cultivation and distribution.

6. The Committee intends to follow up with U.S. Postal Service policy to urge changes in their inspection policies to allow a more thorough examination of packages believed to contain illegal drugs.